



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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Second District

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Third District

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Fifth District

April 23, 2013

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum contains reports on the following:

- **Status of a County-Opposed State Budget Item.** On April 18, 2013, the Senate Budget Subcommittee No. 3 on Health and Human Services rejected budget trailer bill language proposed by the Administration which would change the growth formula for the 1991 Realignment Mental Health and the CalWORKs Maintenance of Effort (MOE) Subaccounts by a vote of 3 to 0. As reported on April 8, 2013, the Department of Mental Health indicated that this proposal would result in an estimated County loss of approximately \$12.0 million for mental health services.
- **Status of County-Advocacy Legislation.** An update on the current status of five County-advocacy measures.
- **Status of Legislation of County Interest.** A report on the status of eight measures of significant interest to the County related to Infrastructure Financing Districts and Community Development.

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### **Status of County-Advocacy on a State Budget Item**

**County-opposed Budget Trailer Bill Language.** On April 18, 2013, the Senate Budget Subcommittee No. 3 on Health and Human Services rejected budget trailer bill language proposed by the Administration which would change the growth formula for the 1991 Realignment Mental Health and the CalWORKs Maintenance of Effort (MOE) Subaccounts by a vote of 3 to 0. Under this proposal, growth funds deposited into the CalWORKs MOE Subaccount above a cap of \$1.121 billion would be redirected away from county mental health programs, with the State and counties sharing the growth funds equally. As reported on April 8, 2013, the Department of Mental Health indicated that this proposal would result in an estimated County loss of approximately \$12.0 million for mental health services. The Department of Public Social Services indicates that the proposed language would not impact the Department.

### **Status of County-Advocacy Legislation**

**County-supported AB 192 (Hagman),** which as introduced on January 28, 2013, would specify that operating a hotel in violation of local building and zoning codes is illegal within State law by making it a misdemeanor, punishable by fine or imprisonment, or both, for any person to operate a hotel in an area zoned for residences. The bill failed passage in the Assembly Local Government Committee by a vote of 3 to 5 on April 17, 2013. The measure was granted reconsideration.

**County-supported AB 639 (Perez),** which as introduced on February 20, 2013, would enact the Veterans Housing and Homeless Prevention Act to repurpose the Veterans' Bond Act of 2008 for the construction, rehabilitation, and preservation of multi-family and supportive housing for veterans, and be included in the November 4, 2014 general election for voter approval, passed the Assembly Housing and Community Development Committee by a vote of 6 to 0 on April 17, 2013. The measure now proceeds to the Assembly Veterans Affairs Committee.

**County-supported AB 643 (Stone),** which as amended on March 19, 2013, would make various changes to pupil record provisions under State law to conform to Federal law pursuant to **County-supported S. 3472**, the Uninterrupted Scholars Act of 2013, that amends the Family Educational Rights and Privacy Act to provide child welfare agencies access to school records of children under their supervision, passed the Assembly Education Committee by a vote of 7 to 0 on April 17, 2013. The measure now proceeds to the Assembly Human Services Committee.

**County-supported SB 140 (Leno and Steinberg),** which as amended on April 11, 2013, would appropriate \$24.0 million to the California Department of Justice

from the Dealers' Record of Sale Special Account for the limited purpose of addressing the current Armed Prohibited Persons System backlog, passed the Assembly Floor by a vote of 65 to 10 on April 18, 2013 and returned to the Senate for concurrence. The Senate concurred on April 22, 2013 and the measure now proceeds to the Governor. SB 140 is an urgency measure and would take effect immediately if signed by the Governor.

**County-supported SB 184 (Committee on Governance and Finance)**, the Senate Committee on Governance and Finance's local government omnibus bill, which as amended on April 4, 2013, includes a County-sponsored provision to allow the seat on the Baldwin Hills Conservancy governing board that is designated for the Los Angeles County Supervisor whose district the Conservancy is located to be filled by a designee of the Supervisor, passed the Senate Governance and Finance Committee by a vote of 7 to 0 on April 17, 2013. The measure now proceeds to the Senate Appropriations Committee.

#### **Status of Legislation of County Interest Related to Infrastructure Financing Districts and Community Development**

**SB 33 (Wolk)**, which as amended on March 6, 2013, would repeal the voter approval requirements for the creation of an infrastructure financing district (IFD) and bond issuance, and would authorize the legislative body to create an IFD, passed the Senate Floor by a vote of 24 to 13 on April 11, 2013. This measure now proceeds to the Assembly.

**SB 341 (DeSaulnier)**, which as amended on April 1, 2013, would affirm that funds in the Low and Moderate Income Housing Asset Fund shall be subject to the Community Redevelopment Law (CRL) and alters the CRL to: 1) allow housing successor agencies to expend available funds for the purpose of monitoring and preserving the long-term affordability of units in its portfolio and for administration costs up to an annual cap of 2 percent of its portfolio values or \$200,000 (whichever is greater); 2) allow housing successor agencies to spend up to \$250,000 per year for homeless prevention and rapid re-housing services for individuals or families who are or at risk of becoming homeless; 3) relax the limitations on senior housing; 4) allow housing successor agencies to transfer funds among themselves for the purpose of developing affordable units under certain conditions; and 5) clarify and streamline reporting requirements, among other provisions, passed the Senate Transportation and Housing Committee by a vote of 10 to 0 on April 16, 2013. This measure now proceeds to the Senate Appropriations Committee.

**SB 628 (Beall)**, which as amended on April 10, 2013, would eliminate the voter approval requirement for the creation of an IFD, adoption of an IFD financing plan, and the issuance of bonds with respect to a transit priority project, passed the Senate Governance and Finance Committee by a vote of 5 to 2 on April 17, 2013. This measure now proceeds to the Senate Transportation and Housing Committee.

**AB 229 (Pérez)**, which as amended on April 8, 2013, would authorize the creation of an infrastructure and revitalization financing district and the issuance of debt with 2/3 voter approval to finance projects in redevelopment project areas, former redevelopment project areas, and former military bases, passed the Assembly Local Government Committee by a vote of 8 to 1 on April 17, 2013. This measure now proceeds to the Assembly Appropriations Committee.

**AB 243 (Dickinson)**, which as introduced on February 6, 2013, would authorize the creation of an infrastructure and revitalization financing district and the issuance of debt with 55 percent voter approval to finance projects in redevelopment project areas, former redevelopment project areas, and former military bases, passed the Assembly Local Government Committee by a vote of 6 to 3 on April 17, 2013. This measure now proceeds to the Assembly Appropriations Committee.

**AB 662 (Atkins)**, which as introduced on February 21, 2013, would amend existing law to allow IFDs to include any portion of a redevelopment project area, passed the Assembly Local Government Committee by a vote of 9 to 0 on April 17, 2013. This measure now proceeds to the Assembly Floor.

**AB 1080 (Alejo)**, which as amended on April 4, 2013, would authorize cities and counties, either separately or in cooperation with each other and/or special districts, to form a Community Revitalization Investment Authority (CRIA) in certain communities. The CRIA would be authorized to carry out the Community Redevelopment Law, as specified, and invest property tax increment and bond proceeds to relieve conditions of unemployment, to reduce high crime rates, to repair deteriorating and inadequate infrastructure, to clean up brownfields, and to promote affordable housing, passed the Assembly Housing and Community Development Committee by a vote of 5 to 2 on April 17, 2013. This measure now proceeds to the Assembly Local Government Committee.

**AB 1320 (Bloom)**, which as introduced on February 22, 2013, would have eliminated the requirement that a redevelopment successor agency dispose of all remaining assets and terminate its existence within one year of its final debt payment, was amended on April 10, 2013. The measure would now allow schools to continue to receive property taxes, equal to the amount they would have received in pass-through payments if

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redevelopment agencies still existed, and would not count those property taxes toward the Proposition 98 funding formula for K-12 education. AB 1320 passed the Assembly Housing and Community Development Committee by a vote of 5 to 0 on April 17, 2013. This measure now proceeds to the Assembly Local Government Committee.

We will continue to keep you advised.

WTF:RA  
MR:KA:IGEA:ma

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants